

SENATE BILL 777

By Ketron

AN ACT to amend Tennessee Code Annotated, Title 56,
Chapter 5, relative to personal risk insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 5, is amended by adding sections 2 and 3 of this act as a new part.

SECTION 2. This part applies to personal risk insurance written on risks in this state by any insurer authorized to do business in this state.

SECTION 3.

(a) Notwithstanding the requirements of this title, a filing made by an insurer for personal risk insurance under this part that provides for an overall statewide rate increase or decrease of no more than twenty-five percent (25%) in the aggregate for all coverages that are subject to the filing may take effect the date it is filed. The twenty-five-percent limitation does not apply on an individual insured basis. No more than one (1) rate filing may be made by an insurer pursuant to the expedited process provided in this section during any twelve-month period, unless a rate filing, when combined with any other rate filing or filings made by an insurer within the preceding twenty-five (25) months, does not result in an overall statewide increase or decrease of more than twenty-five percent (25%) in the aggregate for all coverages that are subject to the filing.

(b) Rate filings falling outside of the limitation provided for in subsection (a) shall be subject to chapter 5 of this title, unless those filings are otherwise exempt from chapter 5 of this title pursuant to another section of this title.

(c) A filing submitted pursuant to subsection (a) is considered to comply with state law; however, if the commissioner of commerce and insurance determines that the

filing is inadequate or unfairly discriminatory, the commissioner shall issue a written order specifying in detail the provisions of this title the insurer has violated and the reasons the filing is inadequate or unfairly discriminatory and stating a reasonable future date on which the filing is to be considered no longer effective. An order by the commissioner pursuant to this subsection (c) that is issued more than thirty (30) days from the date on which the commissioner received the rate filing is prospective only and does not affect any contract issued or made before the effective date of the order. For purposes of this part, "unfairly discriminatory" means a rate for a risk that is classified in whole or in part on the basis of race, color, creed, or national origin.

(d) No rate increase within the limitation specified in subsection (a) may be implemented with regard to an individual existing policy, unless the increase is applied at the time of a renewal or conditional renewal of an existing policy and the insurer, at least thirty (30) days in advance of the end of the insured's policy period, mails or delivers to the named insured, at the address shown in the policy, a written notice that clearly and conspicuously discloses its intention to change the rate. A notice of renewal or conditional renewal that clearly and conspicuously discloses the renewal premium applicable to the policy shall be deemed to be in compliance with this subsection.

SECTION 4. This act shall take effect July 1, 2011, the public welfare requiring it.